

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF OVERLAND) CASE NO. 2012-00021
DEVELOPMENT, INC.)

ORDER

On January 17, 2012, Overland Development, Inc. ("Overland") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Overland purchases water from Big Sandy Water District ("Big Sandy").
2. On January 1, 2012, Big Sandy increased its volumetric wholesale rate to Overland from \$1.83 per 1,000 gallons to \$1.87 per 1,000 gallons.
3. Overland proposed a purchased water adjustment factor of \$0.05 per 1,000 gallons.
4. During the 12 months ending December 31, 2011, Overland purchased 6,347,700 gallons of water from Big Sandy and sold 5,335,000 gallons of water. Overland's amount of line loss exceeds the allowable line loss for an investor-owned water utility of 15 percent.
5. During the 12 months ending December 31, 2011, Overland's allowable gallons purchased was 6,276,471 gallons of water and sold was 5,335,000 gallons.

¹ 807 KAR 5:067.

The allowable increase in the cost of purchased water is \$251.06, resulting in a purchased water adjustment factor of \$0.05 per 1,000 gallons.

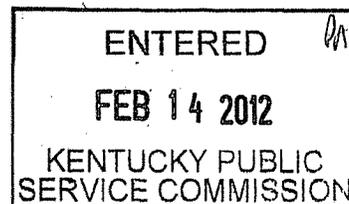
6. The proposed purchased water adjustment factor of \$0.05 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. Overland's proposed rates, which are set forth in Appendix B, are fair, just, and reasonable and should be authorized for service that Overland provides on and after the date of this Order.

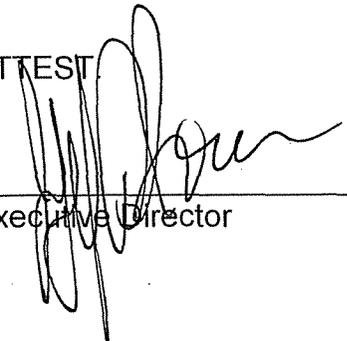
IT IS THEREFORE ORDERED that:

1. Overland's proposed rates are approved.
2. The purchased water adjustment factor of \$0.05 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service that Overland renders on or after the date of this Order.
4. Within 20 days of the date of this Order, Overland shall file a revised tariff sheet with the Commission setting forth the rates approved herein.

By the Commission



ATTEST



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2012-00021 DATED FEB 14 2012

Calculation of allowable gallons purchased

| | |
|--|-------------|
| Total gallons sold for the test period | 5,335,000 |
| Divided by .85 | <u>1.85</u> |
| Total allowable gallons purchased | 6,276,471 |

| | New Rate | Base Rate |
|--------------------------------|---------------------|---------------------|
| Big Sandy | | |
| Allowable Purchases in gallons | 6,276,471 | 6,276,471 |
| Volumetric rate | <u>\$1.87/1,000</u> | <u>\$1.83/1,000</u> |
| | \$ 11,737.00 | \$ 11,485.94 |
| Annual Service Charge | <u>\$ 6,549.00</u> | <u>\$ 6,549.00</u> |
| Total | \$ 18,286.00 | \$ 18,034.94 |

Increased water cost \$ 251.06

| | |
|-----------------------------------|--------------------------|
| Increased water cost | \$ 251.06 |
| Divided by gallons sold | <u>5,335,000</u> |
| Purchased water adjustment factor | \$0.05 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00021 DATED FEB 14 2012

The following rates and charges are prescribed for the customers in the area served by Overland Development, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

| | | | |
|-------|----------------|---------|-------------------|
| First | 2,000 gallons | \$20.26 | Minimum Bill |
| Next | 8,000 gallons | 7.40 | per 1,000 gallons |
| Next | 20,000 gallons | 5.62 | per 1,000 gallons |
| Next | 20,000 gallons | 4.68 | per 1,000 gallons |
| Over | 50,000 gallons | 3.78 | per 1,000 gallons |

James C Taylor
Secretary/Treasurer
Overland Development, Inc.
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